

QUONSET DEVELOPMENT CORPORATION
MEETING OF BOARD OF DIRECTORS

August 18, 2008

PUBLIC SESSION MINUTES

A meeting of the Board of Directors of the Quonset Development Corporation (the “Corporation”) was held at 5:00 p.m. on Monday, August 18, 2008, at the offices of the Corporation located at 95 Cripe Street, North Kingstown, Rhode Island, pursuant to notice to all members of the Board of Directors and a public notice of the meeting as required by the Bylaws of the Corporation and applicable Rhode Island Law.

The following directors constituting a quorum were present and participated throughout the meeting as indicated: Steven Campo, Barbara Jackson, Saul Kaplan, John G. Laramée, John A. Patterson, Sav Rebecchi and John G. Simpson. Absent were: James D. Berson, Robert H. Breslin, Jr., Kas R. DeCarvalho and Keith W. Stokes. Also present were: Steven J. King, P.E., Managing Director; E. Jerome Batty, Secretary; Kevin M. Barry, Finance Director; members of the Corporation’s staff and members of the public.

1. CALL TO ORDER:

The meeting was called to order at 5:04 p.m. by Chairman Kaplan.

2. APPROVAL OF MINUTES:

Mr. Patterson requested that page 4 of the minutes, read “Mr. Patterson noted the desirability of a job description for the Managing Director against which future job performance can be measured”.

Upon motion duly made by Ms. Jackson and seconded by Mr. Laramee, the Board:

VOTED: To approve the Public Session minutes of the July 21, 2008 meeting, as amended.

Voting in favor were: Steven Campo, Barbara Jackson, John G. Laramee, John A. Patterson, Sav Rebecchi and John G. Simpson.

Voting Against were: None

Unanimously Approved.

3. STAFF REPORTS:

Development and Planning

- **Discussions are ongoing with the Town of North Kingstown regarding the tie-in of the sanitary sewers from the Post Road corridor into QDC's Waste Water Treatment facility. The draft outline for the agreement treats the Town as a wholesale customer. The Town has no shared use or control of the system. The Town will have to make funds available up front to make significant capital investments at the Sewer Treatment Plant to accommodate the increased flow while maintaining service to the Quonset Business Park tenants and prospective tenants. .**
- **Kohl's held a job fair at the former QDC headquarters. They had 700 applicants for 138 available positions for the Gateway location that is scheduled to open at the end of October.**
- **RAVV Development retained a consultant to perform a market study. As a result of that study, they modified the building's interior to include court space for basketball and volleyball. They have secured letters of commitment for a pro shop, physical therapy space and a gym.**
- **The Pro-Paint Plus, Inc. transaction closed on August 8, 2008. It is their intention to open in the fall of 2009.**
- **Gateway update: Dave's Marketplace will break ground this week to lay the foundation. New Boston Development Partners, LLC ("New Boston") is in advanced discussions with hotel operators. New Boston hopes to secure a deal in the next 6 months. New Boston will have a presentation to update the Board on the status of the Gateway at the next Board meeting.**

Operations

- **Public Access Damage** – there were 14 damaged shrubs and trees at the bike path parking lot on Marine Road due vandalism. More police patrol is needed in the Park especially around the public access areas.

The Board discussed the history of the Town's interest in tying-in into the Park's sewer system and how the proposal has evolved. Mr. King explained that the Sewer Treatment Plant currently has the capacity to process 1.78 million gallons per day and the Park currently processes 550,000 gallons a day. The Sewer Plant is expandable in 2 phases: Phase I would increase processing to 2.6 million gallons a day and Phase II would increase processing to 3.9 million gallons a day. Mr. King estimated that at full Park build out, based on the Master Plan, will require 2 million gallons a day. With the Post Road sewer tie-in, the Plant will see an additional increase of 1 million gallons a day. Mr. King noted that the Town will have to make the investment upfront to expand capacity at the Plant to 2.6 million gallons per day allowing for Town usage of 800,000 gallons per day while maintaining the Park's current usage of 1.78 million gallons per day.

Mr. Rebecchi expressed concerns over the I and I (Inflow and Infiltration) and sharing of the Park's resources with the Town. Mr. King assured the Board, that the Proposal addresses I and I issues and there are conditions on how the flow is metered. Ms. Jackson

remarked that there appears to have been good strides made in the Corporation's relationship with the Town but stressed that during this negotiation, the Park's long term maintenance and sustainability should be addressed. Mr. Simpson added that the issue is capacity and the Agreement should not preclude any type of business from developing in the Park due to a lack of resources. Mr. Kaplan stated that he could not find any business reason not to move forward with this discussion with the Town as the Agreement will come before the Board for approval.

Mr. Patterson stated he felt moving ahead with this Agreement was imperative at this time because of the expansion of housing along Post Road. Obviously, there will be mutual benefit in the creation of housing for workers at Quonset. Mr. King clarified that the Corporation currently provides sewer service to customers outside the Park such as Mill Creek and Crossroads. Under this proposal, the Town will have to take responsibility for the sewer customers who are outside the boundaries of the Park. Mr. Rebecchi questioned how the Corporation could restrict Town growth and expansion on Post Road so it does not exceed the capacity of the Sewer Plant.

Mr. Kaplan recognized the concern and added that water and sewer are challenges to a lot of economic development. However, he does not perceive that sewer capacity is a development challenge to the Park. He added that water availability is a more complex issue.

Mr. Patterson added that as a practical consideration, the Corporation should be aware that all 5 members of the North Kingstown Town Council are leaving in November. Ms. Jackson highlighted her point that the Corporation needs to put markers in the sand because as new Council members come in, institutional memory fades of what the Corporation has done for the Town. Mr. Kaplan noted that the Corporation will proceed in the most reasonable manner for what makes sense at the time, not based on political cycles.

Mr. King indicated that the News Clips would be sent via email on a monthly basis rather than Board Members receiving paper copies with their Board packages.

4. COMMITTEE REPORTS:

A. Strategic Planning Committee.

Mr. Simpson advised the Board that the Committee had received a response from Statewide Planning regarding the Draft QDC Master Land Use and Development Plan including comments from the Town of North Kingstown, the Coastal Resource Management Council and the Department of Environmental Management. The Statewide Planning report to the Committee was very thorough and he commended them for their detailed analysis. The Committee is planning on providing the Board with an updated draft of the Master Land Use and Development Plan and matrix reflecting the revisions

for the September meeting with the hopes of approving the Plan at the October meeting. Mr. Kaplan inquired if there were any significant issues brought up by the agencies. Mr. Simpson replied that the Strategic Planning Council recommended that residential development be included in West Davisville. However, the Strategic Planning Committee would rather not allow residential and revise the Plan should a specific development proposal with housing be submitted.

5. APPROVAL REQUESTS:

A. Approval of Subcommittee Appointments:

Upon motion duly made by Mr. Patterson and seconded by Mr. Laramee, the Board:

VOTED: The Board concurs with the appointment of the Board Members to the Audit/Finance Committee; the Governance Committee; Marketing/ Business Development Committee; and the Strategic Planning Committee as shown in Exhibit A.

Voting in favor were: Steven Campo, Barbara Jackson, John G. Laramee, John A. Patterson, Sav Rebecchi and John G. Simpson.

Voting Against were: None

Unanimously Approved.

B. Naming of New Connector Road – Romano Way:

Mr. King explained that a suggestion was made by a QDC employee, Rick Sciola, to name the new connector road after Romano Vineyards which owned much of the land that now comprises the Gateway and the Commerce Park District. Mr. King explained that initially the road was proposed as “Romano Vineyard Way”; however, the Town’s Fire Marshall had an issue with the name because there was already a “Vineyard Way” in Town and the similar name could interfere with emergency services.

Ms. Jackson asked that further discussion take place with the Town and for the Corporation to push for leaving “Vineyard” in the name because it would be good for tourism and economic development. It was agreed that further discussion would take place and the naming of the road would depend on the Town’s final input.

Upon motion duly made by Ms. Jackson and seconded by Mr. Rebecchi, the Board:

VOTED: The Board hereby approves the naming of the new connector road either Romano Vineyard Way or Romano Way, subject to the Town of North Kingstown’s approval.

Voting in favor were: Steven Campo, Barbara Jackson, John G. Laramée, John A. Patterson, Sav Rebecchi and John G. Simpson.

Voting Against were: None

Unanimously Approved.

C. Consolidation of Rhode Island Mooring Services, Inc. and Sea Tow Leases:

Mr. Barry, the Corporation's Finance Director, explained that RI Mooring Services, Inc. ("RI Mooring") has been a long time Park tenant with an excellent track record. Over the years, RI Mooring acquired additional land as they expanded. RI Mooring is seeking to purchase Sea Tow, Inc.'s business in Little Allen's Harbor. Sea Tow currently has a lease with RIEDC and RI Mooring has 6 active leases. RI Mooring has requested to combine all the leases into one master lease. The new master lease would be a composite of the terms of the existing leases; including rent amounts, terms and lease expiration dates. The new lease raises the rent 5% with a 3% increase per year, every 5 years.

Upon motion duly made by Mr. Laramée and seconded by Mr. Rebecchi, the Board:

VOTED: That the Corporation acting by and through its Chairman,

Vice-Chair, Managing Director or Finance Director, each of them acting alone the "Authorized Officers" is hereby authorized to enter into, execute and deliver a Lease, and other agreements related thereto with RI Mooring Services, Inc. substantially in accordance with the Request for Board Authorization presented to the Board (the Lease and related documents are referred to herein collectively as the "Agreement").

VOTED: That each of the Authorized Officers, acting singularly and alone, be and each of them hereby is authorized, empowered and directed to effectuate the intent of the foregoing resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of such Agreement or as any of the Authorized Officers acting singularly or alone shall deem necessary, desirable and without further specific action by this Board, and on behalf of the Corporation, such Authorized Officers are hereby authorized, empowered and directed to prepare or cause to be prepared and to execute, perform and deliver in the name and on behalf of the Corporation the Agreement and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreement, with such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer executing or authorizing the use of the same shall determine to be necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That in connection with any and/or all of the above resolutions, the taking of any action, the execution and delivery of any instrument, document or agreement by any of the Authorized Officers in connection with the implementation of any or all of the foregoing resolutions shall be conclusive of such Authorized Officer's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.

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Voting in favor were: Steven Campo, Barbara Jackson, John G. Laramée, John A. Patterson, Sav Rebecchi and John G. Simpson.

Voting Against were: None

Unanimously Approved.

There being no further business to come before the Board, upon motion duly made by Mr. Rebecchi and seconded by Mr. Patterson, the meeting was adjourned at 5:52 p.m.

Respectfully submitted:

By:_____

E. Jerome Batty, Secretary

EXHIBIT A

Audit/Finance Committee:

Barbara Jackson

John Simpson

Keith Stokes

Governance Committee:

Kas DeCarvalho

John Patterson

Sav Rebecchi

Marketing/Business Development Committee:

James Berson

John G. Laramée

Steven Campo

Strategic Planning Committee:

Barbara Jackson

Sav Rebecchi

John Simpson

Robert H. Breslin